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July 19, 2001

By Hand Delivery
Magalie R. Salas, Esq.
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: CC Docket No. 00-218
In the Matter of Petition of AT&T Communications of Virginia, Inc., TCG Virginia, Inc., ACC National Telecom Corp., MediaOne of Virginia and MediaOne Telecommunciations of Virginia, Inc. for Arbitration of an Interconnection Agreement With Verizon Virginia, Inc. Purusant to Section 252(e)(5) of the Telecommunications Act of 1996

Dear Ms. Salas:

WorldCom, Inc., pursuant to the Commission's request in the July 10th scheduling conference, reports that the parties have not yet resolved subsidiary implementation issues raised by Verizon's June 27 motion to dismiss, and submits the following narrowed proposed contract language and statements of issues remaining in dispute. The parties have not yet been able to agree upon language identifying these issues; in what follows, WorldCom presents its understanding of the issues that remain between the parties as to the motion to dismiss claims, and its sense of how the parties have agreed that these issues should be resolved.

ISSUE 1: INTERCARRIER COMPENSATION FOR ISP-BOUND TRAFFIC

WorldCom's Proposed Amended Contract Language:

"ISP-bound Traffic" shall have the same meaning as is used in the FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001 ("ISP Remand Order").

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Section x. **Compensation for ISP-bound Traffic**

x.1 This section is intended to implement the FCC's ISP Remand Order for any period in which both the ISP Remand Order and this Agreement are in effect. The terms used in this Section x shall have the same meaning as those terms are used in the ISP Remand Order. Additionally, as used in this Agreement, the term "ISP-bound Traffic" shall have the same meaning as the term is used in the ISP Remand Order.

x.2 The Parties agree to pay each other for delivering ISP-bound Traffic and section 251(b)(5) traffic in accordance with the terms and conditions of this section x. For purposes of this section x, ISP-bound Traffic and section 251(b)(5) local traffic shall be identified in accordance with the provisions of Section x.4 below.

x.3 The information access rates described in Sections x.3.2. for the delivery of ISP-bound Traffic shall apply only if: (a) Verizon requests that ISP-bound Traffic be treated at the rates specified in the ISP Remand Order; (b) Verizon offers to exchange all traffic subject to the reciprocal compensation provisions of section 251(b)(5) with LECs, CLECs, and MRS, at these information access rates; and (c) Verizon has paid all passed due amounts owed on WorldCom's delivery of ISP-bound Traffic prior to June 14, 2001. If Verizon does not comply with these conditions, then the rate for the delivery of ISP-bound Traffic shall be the rate for reciprocal compensation set forth in Table 1 of this Attachment.

x.3.1 The reciprocal compensation rates shown in Table 1 apply to the exchange of all section 251(b)(5) traffic.

x.3.2 Information Access Rates. For the period beginning on June 14, 2001 and ending on December 13, 2001, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of $.0015 per minute of use (MOU). To the extent that this Agreement remains in effect, beginning on December 14, 2001, and ending on June 13, 2003, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of $.001 per MOU. To the extent that this Agreement remains in effect, beginning on June 14, 2003, and ending on June 13, 2004, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of $.0007 MOU. The ISP Remand Order specifies that, in the event the FCC does not take further action within the final period during which the $.0007 per MOU information access is applicable to ISP-bound Traffic, that period will be extended until the FCC takes such further action. The Parties agree that the $.0007 per MOU information access rate will continue in effect for ISP-bound Traffic beyond June 13, 2004, if the FCC fails to take such further action by that date, to the extent this Agreement remains in effect during such period.

x.4. Identification of ISP-bound Traffic and 251(b)(5) local traffic. Traffic that originates on Verizon's network and that WorldCom delivers to a MCIm customer and that is in excess of a ratio of 3:1 of all of the local MOU that originates on MCIm's network for delivery by Verizon to Verizon's customers. The Parties further agree that such traffic that MCIm delivers for Verizon which is in not in excess of a ratio of 3:1 of all of the MOU that Verizon's delivers for MCIm shall be billed by MCIm at the reciprocal compensation rates contained in Table 1 to this Agreement.

x.4.1. The Parties agree that (a) MOU originated by MCIm over inter-connection trunks between MCIm's local switches and Verizon's local network, and (b) MOU originated by MCIm over the Network Element Platform (UNE-P) leased from Verizon shall be included for purposes of the 3:1 ratio calculation described in Section x.4.

x.4.2 The 3:1 ratio will be computed by using the billing Party's recordings of calls originated from and terminating to its customers. When such recordings are unavailable from the facilities of the billing Party, call records supplied to the billing Party may be used for the ratio computation.

x.5. Demand or Minutes of Use Cap. For ISP-bound Traffic exchanged during the year 2001, and to the extent this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCIm to Verizon on ISP-bound Traffic for MOU only up to a ceiling equal to, on an annualized basis, the number of ISP-bound minutes originated on Verizon's network and delivered by MCIm during the first quarter of 2001, plus a ten percent growth factor. For ISP-bound Traffic exchanged during the year 2002, and to the extent this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCIm to Verizon on ISP-bound Traffic for MOU only up to a ceiling equal to the number of ISP-bound minutes originated on Verizon's network and delivered by MCIm for the year 2001, plus a ten percent growth factor. For ISP-bound Traffic exchanged during the year 2003, and to the extent this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCIm to Verizon on ISP-bound Traffic for MOU only up to a ceiling equal to the number of ISP-bound minutes terminated by Verizon to MCIm for the year 2002.

x.6 Reservation of Rights. The terms of Sections x.3, x.3.2, Table 1 (rate schedule), x.4, x.4.x, and x.4.2 may be voided by either Party, upon written notice to the other party, if any legislative, regulatory, or judicial action, rule, or regulation modifies, reverses, vacates, or remands the ISP Remand Order, in whole or in part. If these Sections become void as provided herein, then: (a) ISP-bound Traffic shall be deemed section 251(b)(5) traffic under this Agreement, retroactive to the effective date of this Agreement; (b) any compensation that would have been due under this Agreement since its effective date for the exchange of ISP-bound Traffic shall immediately be due and payable; and (c) the Parties shall immediately begin the exchange of ISP-bound Traffic that was subject to the ISP Remand Order on the same terms, conditions, and rates as they exchange section 251(b)(5) traffic.

Statement of Issues That Remain to Be Addressed and Method of Resolution:

1. At the time MCIm's Arbitration Petition was filed with the Commission the issue to be addressed was whether ISP bound traffic was local traffic for purposes of reciprocal compensation. Shortly after the filing of the Petition, the Commission issued its Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131 (ISP Remand Order), addressing that specific question. Therefore, the issue to be addressed in this proceeding has evolved. The issue to be arbitrated is how best to implement and operationalize the Commission's ISP Remand Order. In particular, the parties need to resolve 1) How to calculate the 3:1 ratio; 2) How to implement the rate caps for ISP-bound traffic: 3) How to implement a potential Verizon offer to exchange all (b)(5) traffic WorldCom at FCC-mandated rates; and 4) Whether a change of law provision specifically addressing possible reversal of the FCC's ISP order is appropriate. WorldCom proposes new contract language to be added somewhere in the text of Attachment I (Price Schedule) to supplement (but not replace) portions of Section 4 of Attachment I.

2. WorldCom believes that Verizon, WorldCom and AT&T agree that issues 1-3 above can be profitably be addressed in mediation, and that issue 4 above should be subject to arbitration.

ISSUE 2 – COMBINATIONS

WorldCom's Proposed Amended Contract Language:

2.4 Except as provided in Section 2.4.1 below, Verizon shall offer each Network Element individually or in combination with any other Network Element or Network Elements. This includes, but is not limited to, the Combination of all Network Elements, also known as Network Element Platform and Loop/Transport combinations. Verizon shall not separate Network Elements that are already combined on Verizon's network unless requested by MCIm. Verizon's charge to MCIm for any Combination of elements that are already combined may not exceed the TELRIC price for the sum of the network elements that comprise the Combination. At MCIm's request, except as noted below, Verizon shall provide Combinations of Network Elements ordinarily combined in its network, whether or not those Network Elements are currently combined in Verizon's network. Verizon may impose cost-based charges as specified in the pricing provisions of this Agreement for any work reasonably undertaken to combine Network Elements at MCIm's request that were not previously combined.

2.4.1 Notwithstanding Section 2.4 above, Verizon shall not be required to provide Network Elements in novel combinations, that is, in configurations that are not present somewhere in Verizon's network; provided further that in the event a court of competent jurisdiction declares lawful the FCC's Rules 315(c)-(f), or the FCC promulgates some analogous rule(s), Verizon agrees to provide such novel combinations in accordance with the terms of that rule.

Statement of Issues That Remain to Be Addressed and Method of Resolution:

1. The parties agree that this agreement should not provide MCIm with combinations that are subject to FCC Rule 315(c)-(f) since that provision has been struck down by the 8th Circuit. They disagree over the scope of what is covered by (c)-(f). In WorldCom's view, the Act, as implemented in Rule 315(a) requires Verizon to provide new but not "novel" combinations. Rule (c)-(f) covers only "novel" combinations – configurations that Verizon does not use in its network. See Local Competition Order ¶ 296 (distinguishing between elements "ordinarily combined" and those "not ordinarily combined" in the network). WorldCom believes that it is Verizon's view that (c)-(f) covers all "new" combinations and that WorldCom's proposal is an attempt to "get around" the Eighth Circuit ruling. That being Verizon's view, WorldCom believes that Verizon will renew its motion to dismiss this issue, a motion that WorldCom will oppose.

ISSUE 3: EELS – CONVERSION OF SERVICES TO UNES

WorldCom's Proposed Amended Contract Language:

2.4.2. Verizon's provision of Loop/Transport Combinations must comply with the following requirements:

2.4.2.1 The Loop/Transport Combination must provide completed end-to-end cross connection of the channels designated by MCIm.

2.4.2.2 The Loop/Transport Combination must provide multiplexing or concentration (at MCIm's request), format conversion, signaling conversion, and through-testing consistent with the underlying capabilities of the equipment deployed in the Verizon network.

2.4.3 With respect to Loop/Transport Combinations, MCIm will be responsible for all channel facility assignment (CFA).

2.4.4 Verizon may only perform maintenance on Loop/Transport Combinations at MCIm's direction.

2.4.5 Without requiring MCIm to collocate at all or particular Verizon serving wire centers, MCIm may provide its own, or request Verizon to provide, either multiplexing/concentration or digital cross connection equipment with any Loop/Transport Combination. Types of this Combination include, but are not limited to, Combinations of (i) DS1 Transport and DS0 Loops and (ii) DS3 Transport and DS1 Loops.

Statement of Issues That Remain to Be Addressed and Method of Resolution:

1. MCIm believes that in Virginia it is impaired in its ability to provide the services it wishes to offer if it is not able to make use of EELS, and that Virginia should therefore order the unbundling of EELs pursuant to FCC Rule 317, even though the FCC has not yet determined whether as a national matter CLECs are impaired without access to EELs. Verizon believes that because this issue is before the FCC as a national matter, it is therefore an inappropriate subject for arbitration. It is WorldCom's understanding that Verizon intends to move to dismiss this issue even as clarified by WorldCom. WorldCom will oppose that motion.

2. The parties appear to agree that certain implementation issues relating to EELs remain and would be an appropriate subject of mediation.

ISSUE 4: SWITCHING

WorldCom's Proposed Amended Contract Language:

Section 7. Local Switching

7.1 Verizon shall provide MCIm unbundled, Non-Discriminatory access to Local Switching (including traditional and ISDN switching functionalities, and in particular including the ability to route to MCIm's transport facilities, dedicated facilities, and systems) at TELRIC-based rates; provided, however, that Verizon may charge the market-based rates set forth in Attachment I for Local Switching for MCIm's provision of local service to customers who have four or more voice grade (DS0) or equivalent lines at one location in the density zone 1 of the Washington, D.C. and Norfolk-Virginia Beach-Newport News Metropolitan Statistical Areas (as defined as of January 1, 1999 under Section 69.123 of the FCC's rules), if Verizon also provides to MCIm throughout the relevant density zone 1 Non-Discriminatory access at TELRIC prices to Loop/Transport Combinations (including multiplexing/concentration equipment).

7.1.1 **Definition.** Local Switching (also known as Circuit Switching) is the Network Element that provides MCIm the ability to use switching functionality in a Verizon end office switch, including all vertical services, features, functions, and capabilities of a switch. MCIm may request modifications to the switching functionality, including the vertical services and/or features, available in a Verizon end office switch pursuant to the BFR process set forth in Part A, Section [6]. Local Switching will be provisioned with a port element, which provides line or trunk side access to Local Switching.

7.1.2 "Port element" or "port" means a line card (or equivalent) and associated peripheral equipment on an end office switch which serves as the interconnection between individual loops or individual subscriber trunks and the switching components of an end office switch and the associated switching functionality in that end office switch. Each port is typically associated with one (or more) telephone number(s) which serves as the subscriber's network address. The Port element is part of the provision of Local Switching.

7.1.3 Local Switching includes line side and trunk side facilities and all features, functions, and capabilities of the switch, including, but not limited to:

7.1.3.1 The basic switching function of connecting lines to lines, lines to trunks, trunks to lines, and trunks to trunks, as well as the same basic capabilities made available to Verizon's customers, such as a telephone number, white page listing and dial tone.

7.1.3.2 All other features that the switch is capable of providing, including, but not limited to, custom local area signaling service features, and Centrex, as well as any Technically Feasible customized routing functions provided by the switch. Components of Local Switching, to the extent that they are separately charged, shall be charged at the rates set forth in Attachment I.

7.1.4 Verizon shall offer, as an optional chargeable feature, daily usage tapes that include the "to and from" number, start time, and stop time, by line port, for all recorded local, access, and toll usage. MCIm may request activation or deactivation of features on a per port basis at any time, and shall compensate Verizon for the non-recurring charges associated with processing the order.

7.1.5 Verizon shall provide customized routing of Directory Assistance and Operator Services calls placed by MCIm customers to the particular outgoing trunks and associated routing tables designated by MCIm, using a signaling protocol designated by MCIm, including trunks terminating at OS/DA platforms designated by MCIm.

7.2 **Local Switching – Technical Requirements**

7.2.1 Verizon shall route calls to the appropriate trunk or lines for call origination or termination.

7.2.2 Verizon shall provide standard recorded announcements at Parity.

7.2.3 For unbundled Verizon switching in Combination with an unbundled Verizon loop, Verizon shall perform routine testing (e.g., mechanized loop tests (MLT)) at Parity upon receipt of a trouble report from MCIm.

7.2.4 Verizon shall repair, restore and maintain Verizon-provided equipment that has produced trouble conditions, at Parity and in a Non-Discriminatory manner, to minimize recurrence of trouble conditions in MCIm's use of Local Switching.

7.2.5 Verizon shall record billable events, involving usage of the element, and send the appropriate recording data to MCIm as outlined in Attachment VIII.

7.2.6 Unbundled switching will include 911 access on the same basis as such access is provided in Verizon's network.

7.2.7 Verizon shall provide switching service point (SSP) capabilities and signaling software to interconnect the signaling links destined to Verizon STPs at Parity. In the event that Local Switching is provided out of a switch without SS7 capability, and Verizon unbundled Shared Transport is purchased for use with

Verizon's unbundled switching, Verizon's Tandem Office Switches shall provide this capability at Parity.

7.2.8 Verizon shall provide interfaces to Adjunct Equipment, which interfaces are identified in this Agreement, at Parity. Verizon shall provide interfaces to any other Adjunct Equipment at Parity pursuant to the BFR process.

7.2.9 From time to time MCIm may request that Verizon provide unique reports of reasonable performance data regarding a subscriber line, traffic characteristics, or other reasonable elements. To the extent that such reports exceed that which Verizon provides itself or its subscribers, MCIm shall pay reasonable charges for such reports.

7.2.10 Verizon shall assign each MCIm subscriber line an unbundled switching class of service. MCIm may request and Verizon will provide call blocking options (e.g., 900, 976) at Parity.

7.2.11 Verizon shall provide unbundled switching interfaces on a Non-Discriminatory basis and in accordance with Exhibits F and G of this Attachment III. Additional interfaces may be developed in accordance with the BFR process set forth in Section [6] of Part A of this Agreement.

Statement of Issues That Remain to Be Addressed and Method of Resolution:

1. The parties agree that the Agreement should be consistent with the terms of the UNE Remand Order, and in particular paragraph 278 of that Order limiting the availability of unbundled local switching. They disagree in one respect about the meaning of switching exception set out in that provision, or about whether the switching exception expressly resolved the issues discussed below or instead was ambiguous as to those issues:

That dispute is that the Order limits the availability of switching in certain circumstances when four or more lines connect the switch to the customer or customer location. WorldCom believes the limitation addresses lines to the same customer location, or is ambiguous and should be so construed. Verizon believes the limitation addresses lines to the same customer, regardless of location, or should be so construed. WorldCom's understanding is that the parties believe this issue to be an appropriate subject for mediation.

2. MCIm has responded to Verizon's criticism that previously submitted language concerning specialized routing was outdated. It has substituted new routing language, which it hopes responds to Verizon's concerns. The above proposed language is intended to replace entirely Section 7 of

Attachment III in WorldCom's originally proposed interconnection agreement of April 23, 2001.

ISSUE 5: LINE SHARING AND LINE SPLITTING

WorldCom's Proposed Amended Contract Language:

4.9 **Line Sharing and Line Splitting.** Verizon shall facilitate MCIm's ability to provide voice services, data services, or voice and data services via line sharing and line splitting arrangements using both (i) an all-copper Loop architecture, and (ii) a Fiber-Fed DLC architecture. The Parties acknowledge that unbundling the HBPL is a new area of operations. Consequently, either Party may request that any term or provision in this Section [4.9] be amended, modified or deleted upon 45 days advance written notice. The Parties agree to negotiate such requested changes in good faith. If the Parties cannot mutually agree to any requested change to this Section [4.9] within 45 days after written notice is provided, either Party may invoke the Dispute Resolution Procedures set forth in Section [13] of Part A.

4.9.1 **Definitions:**

"Line Sharing" is an arrangement by which Verizon provides to MCIm, at a collocation arrangement identified by MCIm to Verizon, the HBPL of an existing loop ("data channel"), where Verizon is making use of the same loop to provide analog circuit-switched voice grade service.

"Line Splitting" is an arrangement by which MCIm purchases an entire loop from Verizon, and at its collocation arrangement or the Collocation arrangement provided by Verizon to another CLEC, facilitates its own or another CLECs' provision of HBPL to a particular MCIm consumer, where that same loop is used simultaneously by MCIm to provide analog circuit-switched voice grade service to that Customer, either through leased network elements or MCIm's network elements, or some combination of the two.

"High Bandwidth Portion of the Loop" (HBPL) is a Network Element that utilizes the high frequency portion of a twisted copper pair Loop. The FCC's Third Report and Order in CC Docket No.98-147 and Fourth Report and Order in CC Docket No. 96-98 (rel. December 9, 1999) (the "Line Sharing Order") references the voice band frequency of the spectrum as 300 to 3000 Hertz (and possibly up to 3400 Hertz) and provides that DSL technologies which operate at frequencies generally above 20,000 Hertz will not interfere with voice band transmission.

4.9.2. Verizon shall perform operational activities necessary to facilitate extracting the high bandwidth signals so that MCIm (or its authorized Advanced Services Supplier) can utilize the HBPL in a Line Sharing or Line Splitting configuration and so that MCIm can provide voice services via combinations of

UNEs on the same Loop over which data services is provided in a Line Splitting configuration. Verizon also agrees that the requirement to provide line sharing applies to the entire Loop, even where the incumbent has deployed fiber in the Loop, for example but without limitation, where the Loop is served by a remote terminal. The implementation schedules, terms and conditions governing conversion or migration of UNE-P customers to a Line Splitting configuration will be accomplished consistent with such implementation schedules, terms, conditions and guidelines as are agreed upon for such migrations in the ongoing DSL Collaborative in the State of New York, NY PSC Case 00–C-0127, allowing for local jurisdictional and OSS differences. Verizon in particular will provide automated transitions from Line Sharing to Line Splitting by October 2001, and agrees to incorporate ordering procedures set out in the New York line splitting tariff into this agreement as soon as they are completed.

4.9.3 **General Requirements of Line Sharing and Line Splitting**

4.9.3.1 Verizon shall provide MCIm Non-Discriminatory access to the HBPL through Line Sharing arrangements as designated by MCIm. Verizon will accommodate Line Splitting arrangements as designated by MCIm.

4.9.3.2 [INTENTIONALLY LEFT BLANK]

4.9.3.3 Whenever MCIm provides service utilizing a Loop, either as part of UNE-P or otherwise, MCIm may, at its option, control the entire Loop spectrum in order to provide both voice and high bandwidth services, whether by itself or sharing with an authorized Advanced Service supplier.

4.9.3.4 Verizon, in cooperation with MCIm, shall develop and implement procedures to allow MCIm or an authorized Advanced Service supplier to order HBPL data capabilities on the MCIm Loop.

4.9.3.5 Verizon shall bill the authorized Advanced Service supplier at MCIm's direction.

4.9.3.6 Verizon and MCIm shall jointly develop and engage in operational readiness testing and subsequently deploy mutually agreeable operational capabilities at Parity with comparable Verizon and Verizon Affiliate(s) data service.

4.9.3.7 **Procedural Requirements.** Operational procedures must address, without limitation, pre-ordering, ordering, provisioning, maintenance and billing for HBPL access arrangements. With respect to

maintenance procedures, trouble on a line over which Advanced Services are provided shall be reported in the same manner as are troubles on lines over which voice service is provided via a UNE-P configuration. All procedural and OSS requirements relevant to Line Sharing and line splitting shall be consistent with such implementation schedules, terms, conditions and guidelines as are agreed upon in the ongoing DSL Collaborative in the State of New York, NY PSC Case 00–C-0127, allowing for local jurisdictional and OSS differences.

4.9.3.8 **Authorized Advanced Services Cooperative Arrangements.** MCIm may identify one or more LECs as an authorized Advanced Service supplier, on a Central Office by Central Office basis, authorized by MCIm to add, change or delete Advanced Services capabilities within the HBPL employed or ordered by MCIm. In such instances, MCIm will provide Verizon with written authorization that identifies the Central Offices in which MCIm will engage Advanced Service suppliers and, for each of the Central Offices, MCIm will further identify the specific providers that are authorized to access the HBPL of an MCIm Loop. MCIm may modify this authorization and such changes will become effective upon 30 days prior notice by MCIm, unless a different time period is otherwise mutually agreed upon. Unless MCIm provides written authorization as required in this Section [4.9], Verizon shall reject orders from any party other than MCIm that seeks to utilize, modify or in any manner affect the operation of the Loop employed or ordered by MCIm. MCIm may identify one or more authorized Advanced Service suppliers by including on the order form an identification code for each Advanced Service supplier. Where MCIm does this, Verizon shall assume that an arrangement is in place between MCIm and the Advanced Service supplier and process MCIm's or its supplier's order accordingly.

4.9.3.9 **Advanced Services Equipment Deployment**. MCIm may directly deploy, or deploy through a third party, any Advanced Services equipment that operates within the PSD mask parameters set forth in T1.413 or conforms to other generally recognized and applicable industry standards. The PSD mask, not the DSL technology, will determine the number of disturbers present within a binder group.

> 4.9.3.9.1 Verizon shall not withhold any operational support so as to limit MCIm's ability or that of its Advanced Services Supplier to connect MCIm's Advanced Services equipment to a Loop. Verizon may deny support only after Verizon has made a showing to, and obtained a finding by, the Commission that the deployment of Advanced Services equipment that MCIm seeks will

significantly degrade the performance of another Advanced Service or other voice-based services. To the extent an authorized Advanced Service supplier seeks to deploy Advanced Services equipment on a Loop used or ordered by MCIm, Verizon may refuse to provide support only to the extent Verizon is permitted under the least restrictive of MCIm's or the authorized Advanced Service supplier's interconnection agreement.

4.9.3.10 **Splitters.** MCIm may deploy its own splitter either directly or by utilizing an MCIm authorized Advanced Service supplier. Any splitter, regardless of the means of deployment, must comply with industry standards, including, but not limited to, ANSI T1.413-1998 Annex E and NEBS safety standards. MCIm, or an MCIm-designated Advanced Service supplier, will furnish the Connecting Facility Assignment (CFA) to Verizon so that Verizon may connect the HBPL to the designated point of interconnection. Verizon shall provide tie cables/cross connects between the splitter and Verizon voice switch in a UNE-P configuration.

4.9.3.11 **Additional Ordering Requirements**. Verizon shall implement ordering procedures that support MCIm access to the HBPL. MCIm, at its option, may also authorize Verizon to process orders issued by one or more authorized Advanced Service Suppliers, for the purpose of adding, changing or removing capabilities to deliver service in the HBPL in coordination with MCIm. Verizon shall provide the services described below and shall provide complete documentation and technical assistance necessary for MCIm to understand order format, information content, business rules and all system/network interface requirements necessary to accomplish each of the following tasks:

4.9.3.11.1 Where Verizon is providing the voice service in a Line Sharing configuration and a Customer wishes to migrate its voice service, Verizon shall convert the local voice portion of the Loop to MCIm UNE-P while leaving the service in the HBPL intact. The order shall be submitted in the same manner as other UNE-P orders. As part of the conversion order, billing of the HBPL to the Advanced Service Supplier must be terminated if MCIm so requests

.

4.9.3.11.2 Where Verizon is providing the voice service and a Customer wishes to add Advanced Services and migrate its voice service, Verizon shall convert the local voice portion of the Loop to MCIm UNE-P and, as part of the same transaction, connect the HBPL to the MCIm-designated point of interconnection. MCIm,

at its option, may issue the necessary order(s) to provide the Advanced Services capability itself or MCIm may provide the Advanced Services capability through a MCIm-authorized Advanced Service Supplier. If the Advanced Services capability is provided through an MCIm authorized Advanced Service Supplier, the authorized Advanced Services Supplier may submit the order listing MCIm in the ACNA field.

4.9.3.11.3 Where MCIm seeks to add Advanced Service capability to a Loop, whether on a stand alone basis or as part of UNE-P, Verizon shall perform any necessary conditioning if requested by MCIm, and perform any operational support and cabling as directed by MCIm. MCIm, at its option, may issue the order(s) to provide the Advanced Services capability or MCIm may issue the orders through an authorized Advanced Service Supplier.

4.9.3.11.4 To change the MCIm-designated point of interconnection for the Advanced Service capability, MCIm, at its option, may issue the necessary order(s) to change the HBPL point of interconnection, or MCIm may provide the Advanced Service capability through an authorized Advanced Service Supplier.

4.9.3.11.5 MCIm may add voice capability, where none currently exists, to a Loop where only the HBPL is used for service delivery. Verizon shall provide the capability to utilize the telephone number of any voice line currently provided by Verizon to the customer at that same location, provided the customer disconnects the associated Verizon line with that telephone number, and MCIm provides service, via UNE-P from the same Central Office. As part of the conversion order, MCIm shall have the ability to redirect billing of the Loop from the Advanced Service Supplier to MCIm.

4.9.3.11.6 Verizon shall provide MCIm with the opportunity, in advance, to test all newly instituted or revised ordering capabilities in conjunction with MCIm's own internal systems through a separate testing environment that fully reflects the functionality that will be deployed in commercial market operations.

4.9.3.11.7 To the extent necessary, MCIm and Verizon will develop a mutually agreeable methodology for conveying Connecting Facility Assignments (CFAs) for the Advanced Services equipment deployed in collocation space for those

instances where MCIm, rather than an authorized Advanced Service Supplier, is providing the Advanced Services capability.

4.9.4 Loop Qualification. Verizon agrees to provide MCIm with access to all of the same loop qualification information that it has available to itself. In particular, Verizon must, as specified in FCC 99-238, identify the composition of the loop material, the existence, location and type of any electronic or other equipment on the Loop, including but not limited to, DLC, bridge taps, load coils, or other disturbers, loop length, including the length and location of each type of transmission media, the wire gauge of the Loop, and the electrical parameters of the Loop. This information must be provided on any basis that the incumbent provides such information to itself.

4.9.4.1 Other Pre-Order Information. Verizon agrees to provide the same enhancements to its loop qualification database that it has made to its database in Massachusetts and New York, and that it has committed to make in Pennsylvania. Verizon agrees to provide access to loop information in the same manner it has committed to provide that information in Pennsylvania in its filings in FCC docket No. 01-138. Specifically, but without limitation, Verizon agrees that MCIm can submit an electronic loop qualification gaining access to Verizon's LiveWire database, or through its manual loop qualification process, by submitting an Engineering Record Request, or by providing electronic access to Loop make-up information residing in LFACS in the same manner that access is provided in Massachusetts.

4.10. DSL Based Services Provided Out of Digital Loop Carrier Equipment. If and when Verizon upgrades its network to provide DSL-based services out of remote terminals, Verizon commits to provide access to remote facilities and to Loops attached to those remote facilities on the same terms and conditions as Verizon has access or provides access to its affiliates.

Statement of Issues That Remain to Be Addressed and Method of Resolution:

1. WorldCom's understanding is that the parties may no longer have substantive disagreements as to this question, but that the parties need some additional time to review contract language to be sure that this is so. In WorldCom's view it is likely to be that any disputes that remain would be amenable to resolution through mediation.

COLLOCATION OF ADVANCED SERVICES EQUIPMENT

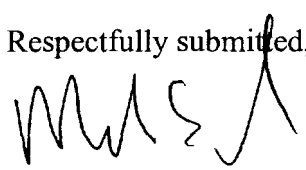
WorldCom's Proposed Amended Contract Language:

Verizon shall permit MCIm, at MCIm's discretion, to collocate DSLAMs, splitters used in association with DSLAMs, and other equipment necessarily located where the copper portion of the loop terminates in order to provide DSL functionality, in Verizon's premises where the copper portion of the loop terminates, in accordance with the rates, terms and conditions set forth in the Collocation Attachment. The parties agree to adopt rules to implement the FCC's Order in FCC Docket No. 98-147 providing for the collocation of multifunction equipment where an inability to deploy that equipment would as a practical, economic or operation matter preclude MCIm from obtaining interconnection or access to unbundled network elements.

Statement of Issues That Remain to Be Addressed and Method of Resolution:

This section replaces Section 4.2.3 of Attachment III as originally proposed by WorldCom. The parties appear to agree that language consistent with the FCC's Order in 98-147 would appropriately resolve this issue.

Respectfully submitted,



Mark Schneider

cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that true and accurate copies of the foregoing were delivered this 19th day of July, 2001, by federal express and regular mail to:

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